

House Study Bill 724

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to state budgetary matters and revenue
2 enhancements by making and revising certain appropriations,
3 phasing out the sales tax on residential utilities, requiring
4 combined corporate returns of unitary businesses, adjusting
5 cigarette and tobacco products tax rates, expanding the
6 services subject to sales and use taxes and adjusting the
7 sales and use tax rates, increasing the appropriation for
8 family farm tax credits and repealing the agricultural land
9 tax credits, revising the tax rates for gambling game
10 establishments, altering the source of moneys to the grow Iowa
11 values fund, providing for military pay differential,
12 establishing state percent of growth for school aid, providing
13 an early employment separation incentive program, providing a
14 standing appropriation for printing cigarette tax stamps, and
15 including effective and retroactive applicability date
16 provisions.
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
18 TLSB 5530XL 80
19 mg/gg/14

PAG LIN

1 1 DIVISION I
1 2 RESERVE FUNDS == USE OF REVERSIONS
1 3 Section 1. Section 8.55, subsection 4, Code Supplement
1 4 2003, is amended by striking the subsection.
1 5 Sec. 2. Section 8.56, subsection 1, Code Supplement 2003,
1 6 is amended to read as follows:
1 7 1. A cash reserve fund is created in the state treasury.
1 8 The cash reserve fund shall be separate from the general fund
1 9 of the state and shall not be considered part of the general
1 10 fund of the state except in determining the cash position of
1 11 the state as provided in subsection 3. The moneys in the cash
1 12 reserve fund are not subject to section 8.33 and shall not be
1 13 transferred, used, obligated, appropriated, or otherwise
1 14 encumbered except as provided in this section.
1 15 ~~Notwithstanding section 12C.7, subsection 2, interest or~~
1 16 ~~earnings on moneys deposited in the cash reserve fund shall be~~
1 17 ~~credited to the rebuild Iowa infrastructure fund created in~~
1 18 ~~section 8.57. Moneys in the cash reserve fund may be used for~~
1 19 cash flow purposes during a fiscal year provided that any
1 20 moneys so allocated are returned to the cash reserve fund by
1 21 the end of that fiscal year.
1 22 Sec. 3. Section 8.57, subsection 1, paragraph a,
1 23 unnumbered paragraph 1, Code Supplement 2001, as amended by
1 24 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
1 25 section 28, and by 2003 Iowa Acts, chapter 179, section 31, is
1 26 amended to read as follows:
1 27 The "cash reserve goal percentage" for fiscal years
1 28 beginning on or after July 1, ~~2004~~ 2005, is seven and one-half
1 29 percent of the adjusted revenue estimate. For each fiscal
1 30 year in which the appropriation of the surplus existing in the
1 31 general fund of the state at the conclusion of the prior
1 32 fiscal year pursuant to paragraph "b" was not sufficient for
1 33 the cash reserve fund to reach the cash reserve goal
1 34 percentage for the current fiscal year, there is appropriated
1 35 from the general fund of the state an amount to be determined
2 1 as follows:
2 2 Sec. 4. 2002 Iowa Acts, Second Extraordinary Session,
2 3 chapter 1001, section 33, as amended by 2003 Iowa Acts,
2 4 chapter 179, section 40, is amended to read as follows:
2 5 SEC. 33. EFFECTIVE DATE == APPLICABILITY. The amendments
2 6 to the following designated Code provisions in this division
2 7 of this Act take effect July 1, ~~2004~~ 2005:
2 8 1. Section 8.55, subsection 2, paragraph "a".
2 9 2. Section 8.56, subsection 4, paragraph "b".
2 10 3. Section 8.57, subsection 1, paragraph "a".

2 11 Sec. 5. USE OF REVERSIONS. Notwithstanding section 8.62,
2 12 if on June 30, 2005, a balance of an operational
2 13 appropriation, as defined in section 8.62, except for the
2 14 balances of charter agencies, as defined in section 7J.1,
2 15 remains unexpended or unencumbered, the balance shall revert
2 16 to the general fund of the state as provided in section 8.33.

2 17 DIVISION II

2 18 TAX ON RESIDENTIAL UTILITIES == PHASEOUT

2 19 Sec. 6. Section 423.3, as enacted by 2003 Iowa Acts, First
2 20 Extraordinary Session, chapter 2, section 96, is amended by
2 21 adding the following new subsection:

2 22 NEW SUBSECTION. 84. a. Subject to paragraph "b", the
2 23 sales price from the sale or furnishing of metered gas,
2 24 electricity, and fuel, including propane and heating oil, to
2 25 residential customers which is used to provide energy for
2 26 residential dwellings and units of apartment and condominium
2 27 complexes used for human occupancy.

2 28 b. The exemption in this subsection shall be phased in by
2 29 means of a reduction in the tax rate as follows:

2 30 (1) If the date of the utility billing or meter reading
2 31 cycle of the residential customer for the sale or furnishing
2 32 of metered gas and electricity is on or after January 1, 2004,
2 33 through December 31, 2004, or if the sale or furnishing of
2 34 fuel for purposes of residential energy and the delivery of
2 35 the fuel occurs on or after January 1, 2004, through December
3 1 31, 2004, the rate of tax is two percent of the sales price.

3 2 (2) If the date of the utility billing or meter reading
3 3 cycle of the residential customer for the sale or furnishing
3 4 of metered gas and electricity is on or after January 1, 2005,
3 5 through December 31, 2005, or if the sale or furnishing of
3 6 fuel for purposes of residential energy and the delivery of
3 7 the fuel occurs on or after January 1, 2005, through December
3 8 31, 2005, the rate of tax is one percent of the sales price.

3 9 (3) If the date of the utility billing or meter reading
3 10 cycle of the residential customer for the sale or furnishing
3 11 of metered gas and electricity is on or after January 1, 2006,
3 12 or if the sale, furnishing, or service of fuel for purposes of
3 13 residential energy and the delivery of the fuel occurs on or
3 14 after January 1, 2006, the rate of tax is zero percent of the
3 15 sales price.

3 16 c. The exemption in this subsection does not apply to
3 17 local option sales and services tax imposed pursuant to
3 18 chapters 423B and 423E.

3 19 DIVISION III

3 20 COMBINED CORPORATE RETURNS

3 21 Sec. 7. Section 422.37, Code 2003, is amended by striking
3 22 the section and inserting in lieu thereof the following:

3 23 422.37 COMBINED RETURNS.

3 24 An affiliated group of corporations shall, under rules
3 25 prescribed by the director, file a combined return showing the
3 26 net income of all corporations engaged in a unitary business,
3 27 subject to the following:

3 28 1. The affiliated group filing under this section shall
3 29 meet the requirements to file a consolidated return for
3 30 federal income tax purposes under the Internal Revenue Code
3 31 for the same taxable year.

3 32 2. All members of the affiliated group shall join in the
3 33 filing of an Iowa combined return to the extent they are
3 34 engaged in a unitary business.

3 35 3. Members of the affiliated group exempt from taxation by
4 1 section 422.34 shall not be included in a combined return.

4 2 4. All members of the affiliated group shall use the
4 3 statutory method of allocation and apportionment unless the
4 4 director has granted permission to all members to use an
4 5 alternative method of allocation and apportionment.

4 6 5. The computation of federal taxable income before the
4 7 net operating loss deduction on a combined return for members
4 8 of an affiliated group shall be made in the same manner and
4 9 under the same procedures, including all intercompany
4 10 adjustments and eliminations, as are required for
4 11 consolidating the incomes of affiliated corporations for the
4 12 taxable year for federal income tax purposes in accordance
4 13 with the Internal Revenue Code.

4 14 6. The combined income approach reflects the federal
4 15 taxable income of the unitary members of the Iowa affiliated
4 16 group as a single economic unit, with the application of the
4 17 adjustments in section 422.35, and the affiliated group shall
4 18 only file one income tax return. Any nonunitary members of
4 19 the federal affiliated group subject to tax imposed by section
4 20 422.33 must each file its own separate corporate income tax
4 21 return. The net income of an affiliated group is determined

4 22 by applying the apportionment formula against the combined
4 23 income of the affiliated group.

4 24 7. Only the sales of those corporations in the affiliated
4 25 group subject to the tax imposed by section 422.33 are
4 26 included in the numerator of the apportionment formula.

4 27 8. Only those corporations in the affiliated group subject
4 28 to the tax imposed by section 422.33 are jointly and severally
4 29 liable for the Iowa tax of the combined group.

4 30 Sec. 8. INCREASED REVENUES APPROPRIATED. There is
4 31 appropriated from the general fund of the state from the
4 32 additional revenues generated by the amendment to section
4 33 422.37 in this division of this Act to the department of
4 34 revenue for the fiscal year beginning July 1, 2004, and ending
4 35 June 30, 2005, the following amounts, or so much thereof as is

5 1 necessary, to be used for the purposes designated:

5 2 a. For the additional funding necessary to fully fund the
5 3 homestead property tax credit pursuant to section 425.1 over
5 4 the amount appropriated for the fiscal year beginning July 1,
5 5 2003:

5 6 \$ 17,454,621

5 7 b. For the additional funding necessary to fully fund the
5 8 elderly and disabled property tax credit pursuant to section
5 9 425.39 over the amount appropriated for the fiscal year
5 10 beginning July 1, 2003:

5 11 \$ 3,304,495

5 12 Sec. 9. RETROACTIVE APPLICABILITY PROVISION. Except for
5 13 the appropriations made to the department of revenue in this
5 14 division, this division of this Act is retroactively
5 15 applicable to January 1, 2004, for tax years beginning on or
5 16 after that date.

5 17 DIVISION IV

5 18 CIGARETTE AND TOBACCO TAX RATES

5 19 Sec. 10. Section 453A.6, subsection 1, Code 2003, is
5 20 amended to read as follows:

5 21 1. There is imposed, and shall be collected and paid to
5 22 the department, ~~the following taxes~~ a tax on all cigarettes
5 23 used or otherwise disposed of in this state for any purpose
5 24 whatsoever+.

~~5 25 CLASS A. On cigarettes weighing not more than three pounds~~
~~5 26 per thousand, eighteen mills on each such cigarette.~~

~~5 27 CLASS B. On cigarettes weighing more than three pounds per~~
~~5 28 thousand, eighteen mills on each such equal to four and eight=~~
~~5 29 tenths cents on each cigarette.~~

5 30 Sec. 11. Section 453A.6, Code 2003, is amended by adding
5 31 the following new subsection:

5 32 NEW SUBSECTION. 6. Cigarettes shall be sold in packages
5 33 of twenty or more.

5 34 Sec. 12. Section 453A.8, subsection 1, Code 2003, is
5 35 amended to read as follows:

6 1 1. Stamps shall be sold by and purchased from the
6 2 department. The department shall sell stamps to the holder of
6 3 a state distributor's or manufacturer's permit which has not
6 4 been revoked and to no other person. Stamps shall be sold to
6 5 the permit holders at a discount of ~~two~~ one percent of the
6 6 face value. Stamps shall be sold in unbroken rolls of thirty
6 7 thousand stamps or unbroken lots of any other form authorized
6 8 by the director.

6 9 Sec. 13. Section 453A.40, subsection 1, Code Supplement
6 10 2003, is amended to read as follows:

6 11 1. All persons required to obtain a permit or to be
6 12 licensed under section 453A.13 ~~as distributors or 453A.44~~
6 13 having in their possession and held for resale on the
6 14 effective date of an increase in the tax rate cigarettes, ~~or~~
6 15 little cigars, or tobacco products upon which the tax under
6 16 section 453A.6 or 453A.43 has been paid, unused cigarette tax
6 17 stamps which have been paid for under section 453A.8, ~~or~~
6 18 unused metered imprints which have been paid for under section
6 19 453A.12, or tobacco products under section 453A.46 shall be
6 20 subject to an inventory tax on the items as provided in this
6 21 section.

6 22 Sec. 14. Section 453A.43, subsections 1, 2, and 3, Code
6 23 2003, are amended to read as follows:

6 24 1. A tax is imposed upon all tobacco products in this
6 25 state and upon any person engaged in business as a distributor
6 26 of tobacco products, at the rate of ~~twenty-two~~ thirty percent
6 27 of the wholesale sales price of the tobacco products, except
6 28 little cigars as defined in section 453A.42. Little cigars
6 29 shall be subject to the same rate of tax imposed upon
6 30 cigarettes in section 453A.6, payable at the time and in the
6 31 manner provided in section 453A.6; and stamps shall be affixed
6 32 as provided in division I of this chapter. The tax on tobacco

6 33 products, excluding little cigars, shall be imposed at the
6 34 time the distributor does any of the following:
6 35 a. Brings, or causes to be brought, into this state from
7 1 without the state tobacco products for sale.
7 2 b. Makes, manufactures, or fabricates tobacco products in
7 3 this state for sale in this state.
7 4 c. Ships or transports tobacco products to retailers in
7 5 this state, to be sold by those retailers.
7 6 2. A tax is imposed upon the use or storage by consumers
7 7 of tobacco products in this state, and upon the consumers, at
7 8 the rate of ~~twenty-two~~ thirty percent of the cost of the
7 9 tobacco products.
7 10 The tax imposed by this subsection shall not apply if the
7 11 tax imposed by subsection 1 on the tobacco products has been
7 12 paid.
7 13 This tax shall not apply to the use or storage of tobacco
7 14 products in quantities of:
7 15 a. Less than 25 cigars.
7 16 b. Less than 10 oz. snuff or snuff powder.
7 17 c. Less than 1 lb. smoking or chewing tobacco or other
7 18 tobacco products not specifically mentioned herein, in the
7 19 possession of any one consumer.
7 20 3. Any tobacco product with respect to which a tax has
7 21 once been imposed under this division shall not again be
7 22 subject to tax under ~~said~~ this division, except as provided in
7 23 section 453A.40.

7 24 Sec. 15. INCREASED REVENUES APPROPRIATED. There is
7 25 appropriated from the general fund of the state from the
7 26 additional revenues generated by the increase in the cigarette
7 27 and tobacco products tax rates in this division of this Act to
7 28 the designated departments and agencies for the fiscal year
7 29 beginning July 1, 2004, and ending June 30, 2005, the
7 30 following amounts, or so much thereof as is necessary, for the
7 31 purposes designated:

7 32 1. DEPARTMENT OF PUBLIC HEALTH
7 33 a. Addictive disorders
7 34 For reducing the prevalence of use of tobacco, alcohol, and
7 35 other drugs, and treating individuals affected by addictive
8 1 behaviors, including gambling:

8 2 \$ 1,000,000
8 3 b. Child and adolescent wellness
8 4 For promoting an optimum health status for children and
8 5 adolescents from birth through 21 years of age:
8 6 \$ 1,000,000

8 7 2. DEPARTMENT OF HUMAN SERVICES
8 8 a. To be credited to the family investment program account
8 9 and used for family investment program assistance under
8 10 chapter 239B:

8 11 \$ 2,521,320
8 12 b. Medical assistance
8 13 For medical assistance reimbursement and associated costs
8 14 as specifically provided in the reimbursement methodologies in
8 15 effect on June 30, 2004, except as otherwise expressly
8 16 authorized by law, including reimbursement for abortion
8 17 services, which shall be available under the medical
8 18 assistance program only for those abortions which are
8 19 medically necessary:

8 20 \$ 57,613,927
8 21 c. For medical contracts:
8 22 \$ 1,800,000

8 23 d. Children's health insurance program
8 24 For maintenance of the healthy and well kids in Iowa
8 25 program pursuant to chapter 514I for receipt of federal
8 26 financial participation under Title XXI of the federal Social
8 27 Security Act, which creates the state children's health
8 28 insurance program:

8 29 \$ 1,500,000

8 30 e. For child and family services:
8 31 \$ 10,000,000
8 32 f. For the state resource center at Glenwood for salaries,
8 33 support, maintenance, and miscellaneous purposes:

8 34 \$ 3,157,994
8 35 g. For implementation of mental health, developmental
9 1 disabilities, and brain injury service system redesign
9 2 efforts:

9 3 \$ 5,000,000
9 4 h. For costs associated with the commitment and treatment
9 5 of sexually violent predators in the unit located at the state
9 6 mental health institute at Cherokee, including costs of legal
9 7 services and other associated costs, including salaries,
9 8 support, maintenance, and miscellaneous purposes:

9 9 \$ 729,533
9 10 i. For distribution to counties of the county mental
9 11 health, mental retardation, and developmental disabilities
9 12 allowed growth factor adjustment, as provided in 2003 Iowa
9 13 Acts, chapter 179, section 2, subsection 1, unnumbered
9 14 paragraph 2:
9 15 \$ 4,665,111
9 16 3. COMMISSION OF VETERANS AFFAIRS
9 17 Iowa veterans home
9 18 For salaries, support, maintenance, and miscellaneous
9 19 purposes:
9 20 \$ 1,000,000
9 21 Sec. 16. EFFECTIVE DATE. Except for the appropriations
9 22 made to the department of public health, department of human
9 23 services, and commission of veterans affairs in this division,
9 24 this division of this Act takes effect March 1, 2004.
9 25 DIVISION V
9 26 SERVICES SUBJECT TO TAX
9 27 Sec. 17. Section 423.2, subsection 6, as enacted by 2003
9 28 Iowa Acts, First Extraordinary Session, chapter 2, section 95,
9 29 is amended to read as follows:
9 30 6. The sales price of any of the following enumerated
9 31 services is subject to the tax imposed by subsection 5:
9 32 alteration and garment repair; armored car; vehicle repair;
9 33 battery, tire, and allied; investment counseling; service
9 34 charges of all financial institutions; barber and beauty; boat
9 35 repair; vehicle wash and wax; campgrounds; carpentry; roof,
10 1 shingle, and glass repair; dance schools and dance studios;
10 2 dating services; dry cleaning, pressing, dyeing, and
10 3 laundering; electrical and electronic repair and installation;
10 4 excavating and grading; farm implement repair of all kinds;
10 5 flying service; furniture, rug, carpet, and upholstery repair
10 6 and cleaning; fur storage and repair; golf and country clubs
10 7 and all commercial recreation; gun and camera repair; house
10 8 and building moving; household appliance, television, and
10 9 radio repair; janitorial and building maintenance or cleaning;
10 10 jewelry and watch repair; lawn care, landscaping, and tree
10 11 trimming and removal; limousine service, including driver;
10 12 machine operator; machine repair of all kinds; motor repair;
10 13 motorcycle, scooter, and bicycle repair; oilers and
10 14 lubricators; office and business machine repair; painting,
10 15 papering, and interior decorating; parking facilities; pay
10 16 television; pet grooming; pipe fitting and plumbing; wood
10 17 preparation; executive search agencies; private employment
10 18 agencies, excluding services for placing a person in
10 19 employment where the principal place of employment of that
10 20 person is to be located outside of the state; reflexology;
10 21 security and detective services; sewage services for
10 22 nonresidential commercial operations; sewing and stitching;
10 23 shoe repair and shoeshine; sign construction and installation;
10 24 storage of household goods, mini-storage, and warehousing of
10 25 raw agricultural products; swimming pool cleaning and
10 26 maintenance; tanning beds or salons; taxidermy services;
10 27 telephone answering service; test laboratories, including
10 28 mobile testing laboratories and field testing by testing
10 29 laboratories, and excluding tests on humans or animals;
10 30 termite, bug, roach, and pest eradicators; tin and sheet metal
10 31 repair; Turkish baths, massage, and reducing salons, excluding
10 32 services provided by massage therapists licensed under chapter
10 33 152C; water conditioning and softening; weighing; welding;
10 34 well drilling; wrapping, packing, and packaging of merchandise
10 35 other than processed meat, fish, fowl, and vegetables;
11 1 wrecking service; wrecker and towing; engineering; accounting,
11 2 auditing, billing, bookkeeping, payroll, and tax return
11 3 preparation; public relations services except the service of
11 4 lobbying; computer services; consulting; management services;
11 5 architectural; services allied to motion picture; information
11 6 retrieval; adjustments, collections, and credit reporting; and
11 7 surveying.
11 8 For the purposes of this subsection, the sales price of a
11 9 lease or rental includes rents, royalties, and copyright and
11 10 license fees. For the purposes of this subsection, "financial
11 11 institutions" means all national banks, federally chartered
11 12 savings and loan associations, federally chartered savings
11 13 banks, federally chartered credit unions, banks organized
11 14 under chapter 524, savings and loan associations and savings
11 15 banks organized under chapter 534, and credit unions organized
11 16 under chapter 533.
11 17 Sec. 18. Section 423.2, as enacted by 2003 Iowa Acts,
11 18 First Extraordinary Session, chapter 2, section 95, is amended
11 19 by adding the following new subsections:

11 20 NEW SUBSECTION. 9A. Notwithstanding the five percent tax
11 21 rate imposed in this section, for the period beginning January
11 22 1, 2006, and ending December 31, 2007, the tax rate imposed
11 23 under this section is four and three-fourths percent.
11 24 NEW SUBSECTION. 9B. Notwithstanding the five percent tax
11 25 rate imposed in this section, beginning January 1, 2008, the
11 26 tax rate imposed under this section is four and one-fourth
11 27 percent.
11 28 Sec. 19. Section 423.5, as enacted by 2003 Iowa Acts,
11 29 First Extraordinary Session, chapter 2, section 98, is amended
11 30 by adding the following new subsections:
11 31 NEW SUBSECTION. 8. Notwithstanding the five percent tax
11 32 rate imposed in this section, for the period beginning January
11 33 1, 2006, and ending December 31, 2007, the tax rate imposed
11 34 under this section is four and three-fourths percent.
11 35 NEW SUBSECTION. 9. Notwithstanding the five percent tax
12 1 rate imposed in this section, beginning January 1, 2008, the
12 2 tax rate imposed under this section is four and one-fourth
12 3 percent.
12 4 Sec. 20. INCREASED REVENUE APPROPRIATIONS. There is
12 5 appropriated from the general fund of the state from the
12 6 additional revenues generated by the addition of services
12 7 taxable under the sales and use taxes in this division of this
12 8 Act to the designated departments and agencies for the fiscal
12 9 year beginning July 1, 2004, and ending June 30, 2005, the
12 10 following amounts, or so much thereof as is necessary, for the
12 11 purposes designated:
12 12 1. COLLEGE STUDENT AID COMMISSION:
12 13 a. National guard educational assistance program
12 14 For purposes of providing national guard educational
12 15 assistance under the program established in section 261.86:
12 16 \$ 1,756,401
12 17 b. In addition to the funds appropriated in section
12 18 261.25, subsection 1, for tuition grants:
12 19 \$ 1,900,000
12 20 c. In addition to the funds appropriated in section
12 21 261.25, subsection 3, for vocational=technical grants:
12 22 \$ 216,849
12 23 2. DEPARTMENT OF EDUCATION
12 24 a. Public broadcasting division
12 25 For salaries, support, maintenance, capital expenditures,
12 26 and miscellaneous purposes:
12 27 \$ 300,000
12 28 b. Student achievement and teacher quality program
12 29 For purposes, as provided in law, of the student
12 30 achievement and teacher quality program establishment pursuant
12 31 to chapter 284:
12 32 \$ 4,250,000
12 33 c. Jobs for America's graduates
12 34 For school districts to provide direct services to the most
12 35 at-risk senior high school students enrolled in school
13 1 districts through direct intervention by a jobs for America's
13 2 graduates specialist:
13 3 \$ 400,000
13 4 d. Early childhood programs
13 5 For purposes of early childhood programs, including, but
13 6 not limited to, the early childhood programs grants and the
13 7 school ready children grant program established pursuant to
13 8 chapter 28, and the shared vision program administered by the
13 9 child development coordinating council in accordance with
13 10 chapter 256A:
13 11 \$ 1,500,000
13 12 e. Professional development
13 13 For professional development of teachers and improvement of
13 14 student achievement:
13 15 \$ 10,000,000
13 16 f. Community colleges
13 17 For general state financial aid to merged areas as defined
13 18 in section 260C.2, for vocational education programs in
13 19 accordance with chapters 258 and 260C:
13 20 \$ 3,100,000
13 21 g. For the amount necessary to fund the increase in state
13 22 foundation aid in section 257.16 for the fiscal year beginning
13 23 July 1, 2004, and ending June 30, 2005:
13 24 \$116,398,176
13 25 3. STATE BOARD OF REGENTS
13 26 a. State university of Iowa
13 27 For salaries, support, maintenance, equipment, and
13 28 miscellaneous purposes:
13 29 \$ 13,647,725
13 30 b. Iowa state university of science and technology

13 31 For salaries, support, maintenance, equipment, and
13 32 miscellaneous purposes:
13 33 \$ 10,746,906
13 34 c. University of northern Iowa
13 35 For salaries, support, maintenance, equipment, and
14 1 miscellaneous purposes:
14 2 \$ 4,827,986
14 3 d. State school for the deaf
14 4 For salaries, support, maintenance, equipment, and
14 5 miscellaneous purposes:
14 6 \$ 498,475
14 7 e. Iowa braille and sight saving school
14 8 For salaries, support, maintenance, equipment, and
14 9 miscellaneous purposes:
14 10 \$ 278,908

14 11 DIVISION VI

14 12 FAMILY FARM AND AGRICULTURAL TAX CREDITS

14 13 Sec. 21. Section 331.401, subsection 1, paragraph g, Code
14 14 2003, is amended by striking the paragraph.

14 15 Sec. 22. Section 331.512, subsection 3, Code 2003, is
14 16 amended to read as follows:

14 17 3. Carry out duties relating to the homestead tax credit
14 18 ~~and agricultural land tax credit as provided in chapters~~
14 19 ~~chapter 425 and 426.~~

14 20 Sec. 23. Section 331.559, subsection 13, Code Supplement
14 21 2003, is amended by striking the subsection.

14 22 Sec. 24. Section 425A.1, Code 2003, is amended to read as
14 23 follows:

14 24 425A.1 FAMILY FARM TAX CREDIT FUND.

14 25 The family farm tax credit fund is created in the office of
14 26 the treasurer of state. ~~There shall be transferred annually~~

~~14 27 to the fund the first ten million dollars of the amount~~

~~14 28 annually appropriated to the agricultural land credit fund,~~

~~14 29 provided in section 426.1. There is appropriated annually to~~

~~14 30 the family farm tax credit fund from the general fund of the~~

~~14 31 state the sum of twenty million dollars. Any balance in the~~

~~14 32 fund on June 30 shall revert to the general fund.~~

14 33 Sec. 25. Section 441.73, subsection 4, Code Supplement
14 34 2003, is amended to read as follows:

14 35 4. The executive council shall transfer for the fiscal
15 1 year beginning July 1, ~~1992~~ 2004, and each fiscal year
15 2 thereafter, from funds established in sections 425.1 and ~~426.1~~
15 3 ~~425A.1~~, an amount necessary to pay litigation expenses. The
15 4 amount of the fund for each fiscal year shall not exceed seven
15 5 hundred thousand dollars. The executive council shall
15 6 determine annually the proportionate amounts to be transferred
15 7 from the two separate funds. At any time when no litigation
15 8 is pending or in progress the balance in the litigation
15 9 expense fund shall not exceed one hundred thousand dollars.
15 10 Any excess moneys shall be transferred in a proportionate
15 11 amount back to the funds from which they were originally
15 12 transferred.

15 13 Sec. 26. Sections 426.1 through 426.3, Code 2003, are
15 14 repealed.

15 15 Sec. 27. Sections 426.6 through 426.10, Code Supplement
15 16 2003, are repealed.

15 17 DIVISION VII

15 18 GAMBLING GAMES TAXATION

15 19 Sec. 28. Section 99F.11, Code Supplement 2003, is amended
15 20 to read as follows:

15 21 99F.11 WAGERING TAX == RATE == ALLOCATIONS.

15 22 1. A tax is imposed on the adjusted gross receipts

15 23 received annually from gambling games authorized under this

~~15 24 chapter at the rate of five percent on the first one million~~

~~15 25 dollars of adjusted gross receipts, at the rate of ten percent~~

~~15 26 on the next two million dollars of adjusted gross receipts,~~

~~15 27 and at the rate of twenty percent on any amount of adjusted~~

~~15 28 gross receipts over three million dollars. However, beginning~~

~~15 29 January 1, 1997, the rate on any amount of adjusted gross~~

~~15 30 receipts over three million dollars from gambling games at~~

~~15 31 racetrack enclosures is twenty-two percent and shall increase~~

~~15 32 by two percent each succeeding calendar year until the rate is~~

~~15 33 thirty-six percent. at the following rates:~~

15 34 a. Fifteen percent of the first ten million of adjusted
15 35 gross receipts.

16 1 b. Twenty=five percent of the next sixty=five million of
16 2 adjusted gross receipts.

16 3 c. Twenty=three percent of the remaining adjusted gross
16 4 receipts.

16 5 2. The taxes imposed by this section shall be paid by the
16 6 licensee to the treasurer of state within ten days after the

16 7 close of the day when the wagers were made and shall be
16 8 distributed as follows:
16 9 1- a. If the gambling excursion originated at a dock
16 10 located in a city, one-half of one percent of the adjusted
16 11 gross receipts shall be remitted to the treasurer of the city
16 12 in which the dock is located and shall be deposited in the
16 13 general fund of the city. Another one-half of one percent of
16 14 the adjusted gross receipts shall be remitted to the treasurer
16 15 of the county in which the dock is located and shall be
16 16 deposited in the general fund of the county.
16 17 2- b. If the gambling excursion originated at a dock
16 18 located in a part of the county outside a city, one-half of
16 19 one percent of the adjusted gross receipts shall be remitted
16 20 to the treasurer of the county in which the dock is located
16 21 and shall be deposited in the general fund of the county.
16 22 Another one-half of one percent of the adjusted gross receipts
16 23 shall be remitted to the treasurer of the Iowa city nearest to
16 24 where the dock is located and shall be deposited in the
16 25 general fund of the city.
16 26 3- c. Three-tenths of one percent of the adjusted gross
16 27 receipts shall be deposited in the gambling treatment fund
16 28 specified in section 99G.39, subsection 1, paragraph "a".
16 29 4- d. The remaining amount of the adjusted gross receipts
16 30 tax shall be credited to the general fund of the state.
16 31 Sec. 29. RETROACTIVE APPLICABILITY. The provisions of
16 32 this division of this Act amending section 99F.11, being
16 33 deemed of immediate importance, take effect upon enactment and
16 34 are retroactively applicable to July 1, 2003, and are
16 35 applicable on and after that date.

17 1 DIVISION VIII

17 2 GROW IOWA VALUES FUND

17 3 Sec. 30. 2003 Iowa Acts, First Extraordinary Session,
17 4 chapter 2, section 75, is amended to read as follows:

17 5 SEC. 75. ~~STREAMLINED SALES AND USE TAX REVENUE~~ GROW IOWA
17 6 VALUES FUND == APPROPRIATION.

17 7 1. There is appropriated from the general fund of the
17 8 state ~~from moneys credited to the general fund of the state as~~
~~17 9 a result of entering into the streamlined sales and use tax~~
~~17 10 agreement,~~ for the fiscal period beginning July 1, 2003 ~~2004~~,
17 11 and ending June 30, 2010, the following amounts to be used for
17 12 the purpose designated:

17 13 For deposit in the grow Iowa values fund created in section
17 14 15G.107, if enacted by 2003 Iowa Acts, House File 692 or
17 15 another Act:

17 16	FY 2003=2004.....	\$ 5,000,000
17 17	FY 2004=2005.....	\$ 23,000,000
17 18	FY 2005=2006.....	\$ 75,000,000
17 19	FY 2006=2007.....	\$ 75,000,000
17 20	FY 2007=2008.....	\$ 75,000,000
17 21	FY 2008=2009.....	\$ 75,000,000
17 22	FY 2009=2010.....	\$ 75,000,000

17 23 2. For purposes of this section, "moneys credited to the
~~17 24 general fund of the state as a result of entering into the~~
~~17 25 streamlined sales and use tax agreement" means the amount of~~
~~17 26 sales and use tax receipts credited to the general fund of the~~
~~17 27 state during a fiscal year that exceeds by two percent or more~~
~~17 28 the total sales and use tax receipts credited to the general~~
~~17 29 fund of the state during the previous fiscal year.~~

17 30 a. If the moneys credited to the general fund of the state
~~17 31 as a result of entering into the streamlined sales and use tax~~
~~17 32 agreement during a fiscal year total less than the amount~~
~~17 33 appropriated in this section, the appropriation in this~~
~~17 34 section shall be reduced to equal the total amount of the~~
~~17 35 moneys so credited.~~

18 1 b. If the appropriation for a fiscal year is reduced
~~18 2 pursuant to paragraph "a", all appropriations made from the~~
~~18 3 grow Iowa values fund for the same fiscal year shall be~~
~~18 4 reduced proportionately to the amount reduced due to paragraph~~
~~18 5 "a".~~

18 6 3- 2. Notwithstanding section 8.33, moneys that remain
18 7 unexpended at the end of a fiscal year shall not revert to any
18 8 fund but shall remain available for expenditure for the
18 9 designated purposes during the succeeding fiscal year.

18 10 DIVISION IX

18 11 MILITARY PAY DIFFERENTIAL

18 12 Sec. 31. 2003 Iowa Acts, chapter 179, section 21,
18 13 unnumbered paragraph 5, is amended to read as follows:

18 14 Notwithstanding section 8.33, unencumbered or unobligated
18 15 funds remaining on June 30, 2003, from the appropriation made
18 16 in this section shall not revert but shall remain available to
18 17 be used for the purposes designated ~~in the following fiscal~~

~~18 18 year until the end of the fiscal year beginning July 1, 2004.~~

18 19 Sec. 32. EFFECTIVE DATE. This division of this Act, being
18 20 deemed of immediate importance, takes effect upon enactment.

18 21 DIVISION X

18 22 STATE PERCENT OF GROWTH

18 23 Sec. 33. Section 257.8, subsection 1, Code Supplement

18 24 2003, is amended to read as follows:

18 25 1. STATE PERCENT OF GROWTH. ~~The state percent of growth~~

~~18 26 for the budget year beginning July 1, 2003, is two percent.~~

18 27 The state percent of growth for the budget year beginning July

18 28 1, 2004, is two percent. ~~The state percent of growth for the~~

~~18 29 budget year beginning July 1, 2005, is four percent. The~~

18 30 state percent of growth for each subsequent budget year shall
18 31 be established by statute which shall be enacted within thirty
18 32 days of the submission in the year preceding the base year of
18 33 the governor's budget under section 8.21. The establishment
18 34 of the state percent of growth for a budget year shall be the
18 35 only subject matter of the bill which enacts the state percent
19 1 of growth for a budget year.

19 2 Sec. 34. STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM.

19 3 Notwithstanding section 257.8, subsection 1, it is the intent
19 4 of the general assembly that the appropriation for the student
19 5 achievement and teacher quality program established in section
19 6 284.1 for the fiscal year beginning July 1, 2005, shall be
19 7 increased by at least forty-four million dollars over the
19 8 amount appropriated for the program for the fiscal year
19 9 beginning July 1, 2004.

19 10 Sec. 35. APPLICABILITY. The section of this division of
19 11 this Act amending section 257.8 is applicable for computing
19 12 state aid under the state school foundation program for the
19 13 school budget year beginning July 1, 2005.

19 14 DIVISION XI

19 15 EARLY SEPARATION PROGRAM

19 16 Sec. 36. 2004 SICK LEAVE AND VACATION INCENTIVE PROGRAM.

19 17 1. As used in this section, unless the context provides
19 18 otherwise:

19 19 a. "Credited service" means service under the Iowa public
19 20 employees' retirement system, as service is defined in section
19 21 97B.1A, and membership service under the public safety peace
19 22 officers' retirement, accident, and disability system, as
19 23 defined in section 97A.1.

19 24 b. "Eligible employee" means an employee for whom, but for
19 25 participation in the program, the sum of the number of years
19 26 of credited service and the employee's age in years as of
19 27 December 31, 2004, equals or exceeds seventy-five.

19 28 c. "Employee" means an employee of the executive branch of
19 29 this state who is not covered by a collective bargaining
19 30 agreement or who is represented by the largest statewide
19 31 public employees' organization representing state employees,
19 32 including an employee of a judicial district department of
19 33 correctional services if the district elects to participate in
19 34 the program, an employee of the state board of regents if the
19 35 board elects to participate in the program, and an employee of
20 1 the department of justice. However, "employee" does not mean
20 2 an elected official.

20 3 d. "Participant" means a person who timely submits an
20 4 election to participate, and does participate, in the sick
20 5 leave and vacation incentive program established under this
20 6 section.

20 7 e. "Program" means the sick leave and vacation incentive
20 8 program established under this section.

20 9 f. "Regular annual salary" means an amount equal to the
20 10 eligible employee's regular biweekly rate of pay as of the
20 11 date of separation from employment multiplied by twenty-six.

20 12 g. "Sick leave and vacation incentive benefit" means an
20 13 amount equal to the entire value of an eligible employee's
20 14 accumulated but unused vacation plus the lesser of seventy=
20 15 five percent of the value of the eligible employee's
20 16 accumulated and unused sick leave or seventy-five percent of
20 17 the employee's regular annual salary.

20 18 2. To become a participant in the program, an eligible
20 19 employee shall do all of the following:

20 20 a. Submit by May 1, 2004, a written application, on forms
20 21 prescribed by the department of administrative services,
20 22 seeking participation in the program.

20 23 b. Agree to waive any and all rights to receive payments
20 24 of sick leave balances under section 70A.23 and accrued
20 25 vacation balances in a form other than as provided in this
20 26 section.

20 27 c. Agree to waive all rights to file suit against the
20 28 state of Iowa, including all of its departments, agencies, and

20 29 other subdivisions, based on state or federal claims arising
20 30 out of the employment relationship.

20 31 d. Acknowledge, in writing, that participation in the
20 32 program waives any right to accept permanent part-time or
20 33 permanent full-time employment with the state other than as an
20 34 elected official on or after July 2, 2004.

20 35 e. Agree to separate from employment with the state by
21 1 July 2, 2004.

21 2 3. a. Upon acceptance to participate in the program and
21 3 separation from employment with the state by July 2, 2004, a
21 4 participant shall receive a sick leave and vacation incentive
21 5 benefit. The state shall pay to the participant a portion of
21 6 the sick leave and vacation incentive benefit each fiscal year
21 7 for a period of five years commencing with the fiscal year
21 8 ending June 30, 2005.

21 9 b. A participant in the program shall be eligible to
21 10 continue participation in the group plan or under the group
21 11 contract at the participant's own expense in the same manner
21 12 as a retired employee pursuant to section 509A.13. In
21 13 addition, a participant shall be deemed an eligible retired
21 14 state employee for purposes of eligibility for continuation of
21 15 group insurance covering spouses as provided in section
21 16 509A.13A.

21 17 4. a. The department of administrative services shall
21 18 administer the program, including the determination of
21 19 eligibility for participation in the program, and shall adopt
21 20 administrative rules to administer the program. The
21 21 department may adopt rules on an emergency basis under section
21 22 17A.4, subsection 2, and section 17A.5, subsection 2,
21 23 paragraph "b", to implement this section and the rules shall
21 24 be effective immediately upon filing unless a later date is
21 25 specified in the rules.

21 26 b. Records of the Iowa public employees' retirement system
21 27 may be released for the purposes of administering and
21 28 monitoring the program subject to the requirements of section
21 29 97B.17, subsection 5.

21 30 c. The department of administrative services, in
21 31 collaboration with the department of management, shall present
21 32 an interim report to the general assembly, including copies to
21 33 the legislative services agency and the fiscal committee of
21 34 the legislative council, by October 1, 2004, concerning the
21 35 operation of the program. The department shall also submit an
22 1 annual update concerning the program by October 1 of each year
22 2 for four years, commencing October 1, 2005. The reports shall
22 3 include information concerning the number of program
22 4 participants, the cost of the program including any payments
22 5 made to participants, the number of state employment positions
22 6 eliminated pursuant to the program, and the number of
22 7 positions vacated by a program participant that have been
22 8 refilled.

22 9 5. An employer, as defined in section 70A.38, may employ
22 10 persons to fill vacancies created as a result of employee
22 11 participation in the program established pursuant to this
22 12 section subject to the following:

22 13 a. The employer shall not fill more than seventy-five
22 14 percent of the vacancies created as a result of employee
22 15 participation in the program.

22 16 b. An employer shall not offer employment to an individual
22 17 who is participating in the program established pursuant to
22 18 this division of this Act or in an early termination program
22 19 established pursuant to 2001 Iowa Acts, Second Extraordinary
22 20 Session, chapter 5, or 2002 Iowa Acts, Second Extraordinary
22 21 Session, chapter 1001.

22 22 Sec. 37. EFFECTIVE DATE. This division of this Act, being
22 23 deemed of immediate importance, takes effect upon enactment.

22 24 DIVISION XII

22 25 CIGARETTE STAMP PRINTING

22 26 Sec. 38. Section 453A.7, unnumbered paragraph 2, Code
22 27 Supplement 2003, is amended to read as follows:

22 28 There is appropriated annually from the general fund of the
22 29 state the sum of one hundred fifteen thousand dollars to carry
~~22 30 out to the department of revenue an amount sufficient to~~
~~22 31 implement the provisions of this section.~~

22 32 EXPLANATION

22 33 RESERVE FUNDS == USE OF REVERSIONS == This division I
22 34 provides that the interest and earnings from the Iowa economic
22 35 emergency fund and the cash reserve fund will be credited to
23 1 the general fund of the state instead of the rebuild Iowa
23 2 infrastructure fund as provided in Code sections 8.55 and
23 3 8.56.

23 4 The division delays by one year the effective date of a

23 5 change in the maximum balances of the cash reserve and Iowa
23 6 economic emergency funds. Current law provides that effective
23 7 July 1, 2004, the maximum balances of the two reserve funds
23 8 will change from each at 5 percent of the adjusted revenue
23 9 estimate to the cash reserve at 7.5 percent and the Iowa
23 10 economic emergency fund at 2.5 percent. The bill delays this
23 11 change until July 1, 2005.

23 12 The division also provides that any unspent balances of
23 13 operational appropriations, except for those of charter
23 14 agencies, are to revert to the general fund of the state at
23 15 the end of FY 2004=2005. Present law permits 50 percent of
23 16 such balances to be used by the agency for the next year for
23 17 certain specified purposes.

23 18 TAX ON RESIDENTIAL UTILITIES == PHASEOUT == This division
23 19 II sets the state sales and use tax rates on gas, electricity,
23 20 and fuel for residential customers as follows: 2 percent for
23 21 the second half of the 2004 calendar year; 1 percent for the
23 22 2005 calendar year; and 0 percent, total state exemption, for
23 23 the 2006 and subsequent calendar years.

23 24 COMBINED CORPORATE RETURNS == This division III requires
23 25 that the net income of affiliated groups of corporations
23 26 engaged in a unitary business be computed on a combined return
23 27 basis for corporate tax purposes. The affiliated group would
23 28 include corporations with common ownership whereby one or more
23 29 corporations own 80 percent or more of another corporation.
23 30 The division would require that one Iowa corporate income tax
23 31 return be filed that would include all unitary members of an
23 32 affiliated group. Any nonunitary member that is subject to
23 33 Iowa tax would file its own separate corporate return. Only
23 34 Iowa sales of those corporations doing business in Iowa would
23 35 be included in the numerator of the Iowa sales ratio. The
24 1 division also provides that only those corporations doing
24 2 business in Iowa are jointly and severally liable for the tax
24 3 of the combined return. The additional revenues to be
24 4 collected as a result of this division are appropriated to
24 5 assist in fully funding the regular and additional homestead
24 6 credit reimbursement programs.

24 7 Except for the appropriations, the division applies
24 8 retroactively to January 1, 2004, for tax years beginning on
24 9 or after that date.

24 10 CIGARETTE AND TOBACCO TAX RATES == This division IV
24 11 increases the cigarette tax by 60 cents per pack of 20 from 36
24 12 cents per pack to 96 cents per pack, increases the tax on
24 13 tobacco products from 22 percent to 30 percent of the
24 14 wholesale sales price of the tobacco products, and imposes an
24 15 inventory tax on all retailers as well as distributors and on
24 16 all tobacco products. The reference to Class A and Class B
24 17 cigarettes is deleted since all cigarettes are taxed at the
24 18 same rate and the tax rate per cigarette is expressed in cents
24 19 rather than mills. The division reduces the discount on the
24 20 purchase of cigarette tax stamps from 2 percent to 1 percent.
24 21 The rate increases in this division take effect March 1, 2004.
24 22 The increased revenues as a result of the rate increases in
24 23 this division are appropriated to the department of public
24 24 health, department of human services, and commission of
24 25 veterans affairs for FY 2004=2005.

24 26 SERVICES SUBJECT TO TAX == This division V adds new
24 27 services to be subject to Iowa sales and use tax. These
24 28 services are based upon services listed in the North American
24 29 industry classification system (NAICS) and include
24 30 engineering, accounting-related, public relations services,
24 31 architectural, data retrieval, consulting, management
24 32 services, collections and credit reporting, and surveying.

24 33 The division also decreases the state sales and use tax
24 34 rates to 4.75 percent effective January 1, 2006, through
24 35 December 31, 2007, and the rates become 4.25 percent effective
25 1 January 1, 2008.

25 2 The additional revenues as a result of the taxation of
25 3 these additional services are appropriated for FY 2004=2005 to
25 4 the college student aid commission, department of education,
25 5 and state board of regents.

25 6 FAMILY FARM AND AGRICULTURAL TAX CREDITS == This division
25 7 VI repeals the agricultural land tax credit and increases the
25 8 amount of the family farm tax credit from \$10 million to \$20
25 9 million.

25 10 GAMBLING GAMES TAXATION == This division VII revises the
25 11 thresholds and rates for state taxation of gambling games in
25 12 riverboat and land-based casinos in Code section 99F.11. This
25 13 revision is retroactively applicable to July 1, 2003.

25 14 GROW IOWA VALUES FUND == This division VIII makes the
25 15 appropriations to the grow Iowa values fund from any moneys in

25 16 the general fund of the state in lieu of from the moneys in
25 17 the general fund of the state raised as a result of Iowa's
25 18 entering into the streamlined sales and use tax agreement.
25 19 This change begins with the appropriation made for FY 2004=
25 20 2005.

25 21 MILITARY PAY DIFFERENTIAL == This division IX provides that
25 22 any unencumbered moneys remaining from the appropriation made
25 23 in FY 2002=2003 for military pay differential purposes shall
25 24 not revert but are available to be used until the end of FY
25 25 2004=2005. This appropriation is used for paying state
25 26 employees who are activated for duty in the armed forces of
25 27 the United States the difference between their state pay and
25 28 military pay and to continue state health coverage. The
25 29 division takes effect upon enactment.

25 30 STATE PERCENT OF GROWTH == This division X establishes a
25 31 state percent of growth of 4 percent for purposes of the state
25 32 school foundation program for the school budget year beginning
25 33 July 1, 2005. The division provides that this section of the
25 34 bill is applicable for state aid computation under the school
25 35 foundation program for the school budget year beginning July
26 1 1, 2005.

26 2 The division also provides that it is the intent of the
26 3 general assembly that the appropriation for the student
26 4 achievement and teacher quality program for the fiscal year
26 5 beginning July 1, 2005, shall be increased by at least \$44
26 6 million over the amount appropriated for the program for the
26 7 fiscal year beginning July 1, 2004.

26 8 EARLY SEPARATION PROGRAM == This division XI establishes a
26 9 sick leave and vacation incentive program in a manner similar
26 10 to the program established in 2001.

26 11 The division establishes a sick leave and vacation
26 12 incentive program for eligible employees of the executive
26 13 branch of the state who are not covered by a collective
26 14 bargaining agreement and who are represented by the largest
26 15 statewide public employees' organization representing state
26 16 employees. Employees of a judicial district department of
26 17 correctional services and the state board of regents may
26 18 participate if the employing entity agrees to participate.
26 19 The division excludes elected officials from participation.
26 20 The program shall be administered by the department of
26 21 administrative services. The division permits eligible
26 22 executive branch employees for which the sum of the number of
26 23 years of credited service under the Iowa public employees'
26 24 retirement system (IPERS) and the public safety peace
26 25 officers' retirement, accident, and disability system (PORS)
26 26 and the employee's age as of December 31, 2004, equals or
26 27 exceeds 75 to separate from service with the state and receive
26 28 a sick leave and vacation incentive benefit payable in five
26 29 fiscal years beginning with the fiscal year that ends on June
26 30 30, 2005. The incentive benefit is equal to the employee's
26 31 unused vacation plus the lesser of an amount equal to 75
26 32 percent of the employee's regular annual salary or an amount
26 33 equal to 75 percent of the value of the employee's sick leave.
26 34 To receive the incentive benefit, an eligible employee must
26 35 submit an application to participate in the program by May 1,
27 1 2004, separate from state employment by July 2, 2004,
27 2 acknowledge the employee's ineligibility to return to
27 3 permanent part-time or permanent full-time employment with the
27 4 state, and waive any claims to unused sick leave or vacation
27 5 balances otherwise payable upon termination of employment.
27 6 Employees who participate in the program are eligible to
27 7 continue to participate in group insurance coverage from the
27 8 state in the same manner as employees who retire from state
27 9 employment. The division also permits release of IPERS
27 10 records for the purpose of monitoring and administering the
27 11 sick leave and vacation incentive program. The division
27 12 further provides that an employer may fill vacancies created
27 13 by employees participating in the program, but the employer
27 14 shall not fill more than 75 percent of the vacancies created
27 15 and shall not offer employment to an individual participating
27 16 in the program established by the division or in an early
27 17 termination program established in 2001 or 2002.

27 18 The division takes effect upon enactment.

27 19 CIGARETTE STAMP PRINTING == This division XII provides a
27 20 standing unlimited appropriation for the printing of cigarette
27 21 tax stamps in lieu of the present \$115,000 appropriation.
27 22 LSB 5530XL 80
27 23 mg/gg/14.2